



DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

Regulatory Commission of Alaska

Sean Parnell, Governor
Emil Notti, Commissioner
Robert M. Pickett, Chairman

February 19, 2010

In reply refer to: Finance Section
File: PC39-1003EEE
LO#: L1000057

Maricel Yap
Accounting Assitant II
Unalaska, City of
P.O. Box 610
Unalaska, AK 99685-0610

Dear Ms. Yap:

On February 18, 2010, the Commission approved updated **Permanent** PCE levels in cents per kilowatt-hour (¢/kWh) for Unalaska, City of (UNALASKA), for the listed classes of customers as follows:

Residential	14.21¢
Small General	14.21¢
Large General	14.21¢
Industrial	11.70¢

The revised PCE levels are due to Commission approval of UNALASKA's Fuel Cost Update submitted on February 1, 2010. The new PCE levels are effective for billings rendered after February 18, 2010. For your reference, copies of the Commission Staff's recommendations and schedules are attached as an Appendix.

The Commission reminds UNALASKA of its continued obligation under the PCE legislation to provide its customers with the notice specified in AS 42.45.120 or similar notice approved by the Alaska Energy Authority.

The Commission also reminds UNALASKA of its obligation under 3 AAC 52.620 and 3 AAC 52.640 to notify the Commission of any change in its rates, surcharges, and/or efficiency of operation and advises UNALASKA that failure to comply with those requirements could jeopardize its continued participation in the program.

Letter Order-UNALASKA
Page 2 of 2
February 19, 2010

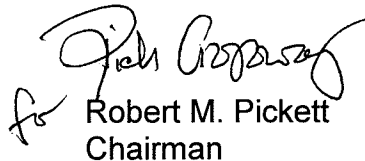
If UNALASKA believes that the calculation used to establish the PCE level in this Letter Order is incorrect, it should seek reconsideration setting forth why it believes the calculation is in error. Any reconsideration request must be submitted within 15 days of the date of this Letter Order.

If you have any questions regarding the calculation of PCE levels, please contact Utility Financial Analyst John White at (907) 276-6222.

BY DIRECTION OF THE COMMISSION

Sincerely,

REGULATORY COMMISSION OF ALASKA


for Robert M. Pickett
Chairman

cc: Jeffery Williams, Alaska Energy Authority

STATE OF ALASKA

**DEPARTMENT OF COMMERCE,
COMMUNITY & ECONOMIC DEVELOPMENT
REGULATORY COMMISSION OF ALASKA**

SEAN PARNELL, GOVERNOR

701 WEST EIGHT AVENUE, SUITE 300
ANCHORAGE, ALASKA 99501-3469
PHONE: (907) 276-6222
FAX: (907) 276-0160
TTY: (907) 276-4533
WEBSITE: <http://rca.alaska.gov>

DATE: February 19, 2010

INVOICE#: 39-1003EEE

DATE DUE: March 21, 2010

Maricel Yap
Accounting Assitant II
Unalaska, City of
P.O. Box 610
Unalaska, AK 99685-0610

Fee for Commission Staff analysis and recommendations Re:

**FILE #: PC39-1003EEE
LO #: L1000057**

Fuel Cost Update under the Power Cost Equalization Program

Amount Due :	<u>\$ 39</u>
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TOTAL AMOUNT DUE:	<u>\$ 39</u>
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MAKE CHECK PAYABLE TO: **STATE OF ALASKA**

PLEASE REMIT CHECK AND COPY OF THIS INVOICE TO:

**REGULATORY COMMISSION OF ALASKA
701 W. 8TH AVE., SUITE 300
ANCHORAGE, AK 99501-3469**

If you have any questions, please contact Joyce McGowan at (907) 263-2132 or
joyce.mcgowan@alaska.gov.

Unalaska, City of

FILE #: PC39-1003EEE

Amount Due: \$ 39

LO #: L1000057

Check Number _____

Please tear along dotted line and submit payment with bottom portion. Thank you.

Power Cost Memorandum Fuel Cost Update Surcharge Change

Date: February 18, 2010

Utility Name (Cert. No.) UNALASKA, CITY of	Utility File No. PC39-1003EEE	Date Filed: February 1, 2010
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PCE LEVEL SUMMARY	Previously Approved PC39-1003DDD	Staff Recommended PC39-1003EEE
Class Rate	<u>Date Approved:</u> January 21, 2010	<u>Effective Date</u> February 19, 2010
Residential	\$0.1263	\$0.1421
Small General	\$0.1263	\$0.1421
Large General	\$0.1263	\$0.1421
Industrial	\$0.1260	\$0.1170
<input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent <input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent		

Prior Fuel Purchase Price: <u>\$ 2.26830</u>	New Fuel Purchase Price: <u>\$ 2.49060</u>
<input checked="" type="checkbox"/> Actual <input type="checkbox"/> Weighted	<input checked="" type="checkbox"/> Actual <input type="checkbox"/> Weighted
Delivery Charge: _____	Surcharge Change: Previous <u>\$0.027300</u> Updated <u>\$0.018250</u>

Signed: _____

Kevin AufDerHeide

Kevin AufDerHeide

Utility Financial Analyst

Commission decision re. this recommendation :

	Date (if different from 2/18/10)	I CONCUR	I DO NOT CONCUR	I WILL WRITE A DISSENTING STATEMENT *
Pickett		<i>[Signature]</i>		
Giard		<i>[Signature]</i>		
Lisankie		<i>[Signature]</i>		
Price		<i>[Signature]</i>		
Wilson		<i>[Signature]</i>		

Special Instructions to Staff:

*If this column is initialed, Staff will contact the Commissioner for the statement; otherwise, dissent will simply be noted at the close of the By Direction Letter or Order.

CITY OF UNALASKA

POWER COST EQUALIZATION CALCULATION
BASED ON TEST YEAR ENDING JUNE 30, 2003
Fuel Cost Update & Surcharge Change

		PC39-1003DDD	PC39-1003EEE	
		Prior Commission Approval	Utility Request	Staff Recommended
A.	Total KWH Generated	28,508,340	28,508,340	28,508,340
B.	Total KWH Sold (Appendix 2)	27,309,793	27,309,793	27,309,793
C.	Total Non-Fuel Costs (Appendix 2)	2,823,507	2,823,507	2,823,507
D.	Non-Fuel Cost/KWH (C / B)	\$0.1034	\$0.1034	\$0.1034
E.	Total Fuel Costs (Appendix 2)	4,662,218	5,117,215	5,117,215
F.	Fuel Costs/KWH (E / B)	\$0.1707	\$0.1874	\$0.1874
G.	Eligible Costs/KWH (D + F)	\$0.2741	\$0.2908	\$0.2908
H.	Eligible Cost/KWH (G) less base rate in effect	\$0.1329	\$0.1496	\$0.1496
I.	Lesser of (H) or 85.88 cents/kWh	\$0.1329	\$0.1496	\$0.1496
J.	Average Class Rates (Appendix 3)			
	Residential	\$0.2161	\$0.2071	\$0.2071
	Small General	\$0.1876	\$0.1786	\$0.1786
	Large General	\$0.1561	\$0.1471	\$0.1471
	Industrial	\$0.1260	\$0.1170	\$0.1170
Class Power Cost Equalization Per kWh Payable				
K.	Lesser of: (I) x 95%, or (J)			
	Residential	\$0.1263	\$0.1421	\$0.1421
	Small General	\$0.1263	\$0.1421	\$0.1421
	Large General	\$0.1263	\$0.1421	\$0.1421
	Industrial	\$0.1260	\$0.1170	\$0.1170
	Funding Level in Effect	100%	100%	100%
L.				
	Residential	\$0.1263	\$0.1421	\$0.1421
	Small General	\$0.1263	\$0.1421	\$0.1421
	Large General	\$0.1263	\$0.1421	\$0.1421
	Industrial	\$0.1260	\$0.1170	\$0.1170

CITY OF UNALASKA

SCHEDULE OF ELIGIBLE POWER COSTS, SALES AND EFFICIENCY
 BASED ON TEST YEAR ENDING JUNE 30, 2003
Fuel Cost Update & Surcharge Change

			PC39-1003DDD	PC39-1003EEE	
			Prior Commission Approval	Per Utility	Per Staff
Non-Fuel Costs:					
A.	Personnel Costs		1,647,324	1,647,324	1,647,324
B.	Power Plant Parts & Supplies		1,150	1,150	1,150
C.	Repairs and Maintenance		306,845	306,845	306,845
D.	General and Administrative		256,187	256,187	256,187
E.	Depreciation & Amortization		578,384	578,384	578,384
F.	Interest Expense		10,610	10,610	10,610
G.	Other (Describe)	Taxes	23,008	23,008	23,008
H. Total Non-Fuel Costs			2,823,507	2,823,507	2,823,507
Fuel Costs:					
I.	Gallons Consumed for Electric Generation		2,046,771	2,046,771	2,046,771
J.	Price of Fuel: (cts per gal.)		\$2.26830	\$ 2.49060	\$2.49060
K. Total Cost of Fuel			\$4,642,691	\$5,097,688	\$5,097,688
L.	Total Cost of Purchased Power		\$19,527	\$19,527	\$19,527
M. TOTAL fuel cost & power purchase			\$4,662,218	\$5,117,215	\$5,117,215
O.	KWH Sales		27,309,793	27,309,793	27,309,793
P.	Fuel Efficiency (O / I)	≥ 12.00	13.34	13.34	13.34
Q.	Line Loss & Station Service	≤ 12%	4.20%	4.20%	4.20%

CITY OF UNALASKA

Surcharge 0.018250

Calculation of Average Class Rate per kWh

Rate Schedule: Residential

(1) kWh by Block	(2) Rate (\$/kWh)	(3) Surcharge If Applicable (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$.1412/kWh
500	0.330000	0.018250	0.348250	174.13	0.348250	0.2071
500				174.13	0.34825	0.2071
TOTAL (A)						(E)

Rate Schedule: Small General

(1) kWh by Block	(2) Rate (\$/kWh)	(3) Surcharge If Applicable (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$.1412/kWh
500	0.301500	0.018250	0.319750	159.88	0.319750	0.1786
500				159.88	0.31975	0.1786
TOTAL (A)						(E)

Rate Schedule: Large General

(1) kWh by Block	(2) Rate (\$/kWh)	(3) Surcharge If Applicable (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$.1412/kWh
500	0.270000	0.018250	0.288250	144.13	0.288250	0.1471
500				144.13	0.28825	0.1471
TOTAL (A)						(E)

Rate Schedule: Industrial

(1) kWh by Block	(2) Rate (\$/kWh)	(3) Surcharge If Applicable (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$.1412/kWh
500	0.239900	0.018250	0.258150	129.08	0.258150	0.1170
500				129.08	0.25815	0.1170
TOTAL (A)						(E)

Fuel Price= 2.49060
Surcharge= \$0.018250